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10 July 1967

MEMORANDUM FOR THE RECORD

SUBJECT: Target Area Analysis Briefing

Memo for Record

1. Before Mr. Clarke got to the subject of target area analysis, he outlined the main thrust of the Program Memoranda as it will be presented to the Bureau of the Budget.

- a. The five-year plan (CPC) will improve the Agency's technical collection capability. More money will be expended on technical collection which, according to Mr. Clarke, will be a major way of life for the near future. He was quite explicit in describing this reliance on technical collection to the DDP representatives.
- b. We will improve our production and analysis of information.
- c. Support to operations and management will be improved. The major emphasis here was on communications and ADP. He noted here also that the five-year ADP plan was due out on the first of August.
- d. New intelligence systems will continue at about the 1967 levels. He said this in the sense of the pace of developing new systems. He implied, but did not say directly, that any new system would replace an old one and not be added to it.
- e. The last item was a catch-all phrase about improving the Agency's way of doing business.

2. He then mentioned the special studies being done for BOB and emphasized that these listed studies were not all that were to be done because the DCI has requested some internal studies. The internal studies will not be presented to BOB.

3. Mr. Clarke then referred to the "Schultz letter" of about a year ago to the Agency and DoD outlining the need to allocate resources by target area. So far, neither the Agency nor the DoD has been able to agree on the terms of reference for the study DoD was supposed to complete. John Bross has suggested that he be the focal point for the final report. Apparently NIPE Staff now has responsibility for producing a report on this subject.

4. The target area analysis in the last Program Call was the first step in recording fund and personnel allocations by geographic area. The next step will be much more complicated and may even prove to be of little use. Mr. Clarke has reservations on our capability to make resource decisions on the basis of target area analysis; for example, we need a financial system to support this allocation. In this respect, he referred to a possible FAN NO. identification of fund allocation to geographic areas and possibly even individual countries.

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5. OPPB is working on a new program structure which is due approximately 15 July. Mr. Clarke indicated that there was some question about why production of information and information processing and exploitation were separate. Why should they not be in the same category? He also referred to the management support costs as being a misleading melding of overhead with project costs. He did not offer a solution, however.

6. There has been no decision on distribution of Program Memoranda to the Directorates. Mr. Clarke said that he is recommending that they be distributed at least on some limited basis. With this conclusion I wholeheartedly agree because each Directorate needs to know what decisions have been made on the basis of the Program Call submission.

7. The last thing that Mr. Clarke mentioned was that PFIAB is urging the identification of 15% of the budget for possible cuts. This budget reduction is to be planned by programs, but in the final analysis probably will be done by projects. DDP, in particular, noted that no matter if a program reduction is indicated, they still must either reduce or eliminate projects to come up with any reduction approaching 15% of the budget.

[Redacted Signature]

Chief
Plans and Programs Branch

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